

PROJECT PACKAGES — SCAFFOLDING STARTER KIT (SAMPLE)

North Carolina 1099 Operationalization — Starter Kit

A one-time purchase, downloaded and run by the buyer: the complete project support package for standing up NC's provider and vendor 1099 operation for the TY2026 season — charter, WBS, schedule, swim-lane process maps, companion guides, SOPs, registers, and dashboard, every artifact a finished worked example from the public record

Project Packages · Scaffolding Starter Kits · October 21, 2026

S A M P L E

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**SAMPLE — A WORKED EXAMPLE OF THE PRODUCT, BUILT ON THE REAL PUBLIC
RECORD AS CITED**

How to Use This Kit

What this is. A scaffolding starter kit for standing up North Carolina's provider and vendor 1099 operation for the tax year 2026 filing season. A state buys it once, downloads it, and runs it itself. Every artifact inside is a finished worked example filled with the real subject matter —

the systems, the dates, the gaps — drawn from North Carolina's own public record and the federal floor beneath it. Spaces where the buyer's own internal data must drop in are marked **[BUYER: ...]** and indexed in the Annex. Nothing else is blank.

What this kit never claims. It is scaffolding, not a compliance determination. It does not certify that any filing made with it is correct, and it is not tax or legal advice. Where the public record does not establish a fact, the kit says so and hands the buyer a decision to make — it never fills a gap with an inference. That discipline is the product: the gaps are printed on the face, because a gap a buyer can see is a gap a buyer can close.

How the kit is organized. Section 1 sets the ground: the operation as the record establishes it, the applicability determinations, and the eleven gaps that are the work. Parts A through O are the artifacts themselves, in the order a project consumes them — charter first, dashboard last, because a dashboard has nothing honest to read until the work beneath it exists.

The why, in one paragraph. Tax year 2026 is the break year. The IRS FIRE system — the route North Carolina's vendor line used for a generation — is retired, and from tax year 2026 each agency files its own information returns through the IRS IRIS portal under its own transmitter control code. North Carolina's State Controller said so in its own words. What the public record does not say is how the provider line — the 1099s NCTracks produces for Medicaid providers — makes that same crossing: no published route, no published form and box, no published TIN-matching owner, and no published rule for the managed-care payments that make up most of North Carolina Medicaid's spend. This kit exists to close exactly that: to turn eleven printed gaps into named owners, dated decisions, and a season that files on time.

Section 1 — The Ground It Stands On

SAMPLE — SECTION 1 · THE RECORD, THE DETERMINATIONS, THE WORK LIST

1.1 The operation as the record establishes it

Line	What the public record establishes	Instrument
Provider line	NCTracks — operated by GDIT, the state's fiscal agent — sends provider 1099s, one per Tax ID per payer. The payers named are the Division of Health Benefits and the Division of Public Health. The published aggregate trigger is \$600. The provider record has been TIN-standardized since 2015.	NCTracks provider publications; NC Atlas Part II (Lane B research file)
Vendor line	NCFS holds supplier data, gated by the State Controller's Substitute W-9 and IRS TIN Matching under Statewide Policy 1200.02. Through tax year 2025 the State Controller transmitted one central FIRE file for all NCFS agencies; agencies printed and mailed their own forms and filed their own copies with the Department of Revenue.	OSC Policy 1200.02; OSC Substitute W-9; OSC TY2026 process memoranda
The TY2026 break	FIRE is retired — in the State Controller's own words. From tax year 2026 each agency files its own returns through IRS IRIS, from an NCFS-supplied file by form type, under the agency's own TCC. TCC applications were due September 30, 2026. Separately, the IRS has announced FIRE stops accepting returns November 19, 2026.	OSC TY2026 process memo; OSC TCC steps memo; IRS IR-2026-99
State layer	Form NC-3 reconciliation with the statements, filed through eNC3, due January 31. The federal combined filing program does not satisfy North Carolina. eNC3 accepts IRIS-format XML for the 1099 family (specifications revised September 30, 2026). Statements with no NC withholding are waived from NC-3 submission until further notice. Penalties run \$50 per day to \$1,000, plus \$200 for format violations.	NCDOR eNC3 specifications and NC-3 instructions
Federal floor	E-filing is mandatory at 10 or more returns, through IRIS. Form 1099-NEC is due to recipients and the IRS January 31 — for the TY2026 season that date is a Sunday, so the operative day is Monday, February 1, 2027. Form 1099-MISC e-filing closes March 31, 2027. The reporting threshold rises from \$600 (2025 payments) to \$2,000 (2026 payments) under the One Big Beautiful Bill Act, P.L. 119-21 §70433 — attorney proceeds stay at \$600, and medical payments remain reportable even when paid to a corporation. The	IRS IR-2026-99; P.L. 119-21 §70433; IRS filing-season publications (the shared federal floor, labeled as such wherever it is used)

mismatch machinery is the CP2100 cycle, B-notices, and 24% backup withholding, with per-return penalties tiered at \$60 / \$130 / \$340 / \$680.

1.2 Applicability — what binds which line, in what form

Applicability is carried on the face, per the program's determinations model: every obligation is determined against each line as **APPLIES AS ELECTED**, **APPLIES IN ANOTHER FORM**, **NOT APPLICABLE**, or **UNDETERMINED** — with the basis and the record location printed.

Obligation	Provider line	Vendor line	Basis · record location
IRS e-filing through IRIS (10+ returns)	UNDETERMINED	APPLIES AS ELECTED	Vendor route established by OSC's TY2026 memoranda. No NCTracks source names FIRE, IRIS, or paper for the provider line — gap G-03. The federal duty binds whoever transmits; the route is the buyer's first decision.
Recipient furnishing by Jan 31	APPLIES AS ELECTED	APPLIES AS ELECTED	Federal floor (operative Feb 1, 2027). North Carolina's own furnishing and e-delivery rules beyond the floor are not established — gap G-09 governs method, not duty.
IRS TIN Matching	UNDETERMINED	APPLIES AS ELECTED	Policy 1200.02 establishes TIN Matching for the vendor line with OSC as central processor. No source extends it to NCTracks providers, and the kit does not extend it by analogy — gap G-02.
B-notices & 24% backup withholding	UNDETERMINED	APPLIES AS ELECTED	The federal machinery applies to any payer on notice of a mismatch; a published owner exists only on the vendor line (Policy 1200.02) — gap G-02.
Form NC-3 + statements via eNC3, Jan 31	APPLIES AS ELECTED IN ANOTHER FORM where waived		NCDOR instructions. No-withholding MISC/NEC statements are waived from NC-3 submission until further notice; the reconciliation posture stands. The federal combined filing program does not satisfy NC — as a route it is NOT APPLICABLE to this

		state, BY-ITS-TERMS (NCDOR).
Reporting threshold	APPLIES IN ANOTHER FORM	\$600 governed 2025 payments; \$2,000 governs 2026 payments (P.L. 119-21 §70433), with carve-outs printed in §1.1. NCTracks' published \$600 aggregate trigger must be re-based for TY2026 — a decision the decision log carries as D-08.
FIRE transmission	NOT APPLICABLE from TY2026	Retired (OSC, in its own words); the IRS stops accepting FIRE returns November 19, 2026 (IR-2026-99).
Per-TIN, per-payer aggregation	APPLIES AS ELECTED IN ANOTHER FORM	NCTracks' published production rule for the provider line. NCFS separates by agency Federal ID instead — the seam where a dually-paid payee falls between the two systems, gap G-04.

1.3 The work list — the eleven gaps

The kit's scope is the gap register of the North Carolina 1099 record (NC Atlas Part II, Lane B §5). Each gap names the WBS cluster that closes it. A gap closes only when the buyer seats the missing instrument or decision — never when a document merely describes it.

Gap	The gap, as the record prints it	Closed by
G-01	No named accountable owner — person, office, or division — for provider 1099 production, in any NC source searched. Production happens (NCTracks sends); ownership is unpublished.	WBS 1.0 · D-01
G-02	No TIN-matching or B-notice owner on the provider line. The vendor line's machinery (Policy 1200.02) is not extended to providers by any source.	WBS 5.0 · D-03
G-03	No published IRS transmission route for the provider line — FIRE, IRIS, and paper all unnamed — in the season FIRE retires.	WBS 4.0 · D-02
G-04	No de-duplication rule for a payee paid through both NCTracks and NCFS. Each system's rules are internal to it; DHHS sits on both sides.	WBS 3.0/7.0 · D-04
G-05	The fee-for-service vs managed-care split is unpublished: no NC source states whether the prepaid health plans issue their own 1099s or whether NCTracks covers managed-care payments. The Standard Plan contract's only 1099 clause is	WBS 6.0 · D-05

a governance provision about plan-board physicians — the strongest state source confirms the gap rather than closing it.

G-06	Which 1099 form and box NCTracks issues to providers is not stated in any NC source reached.	WBS 3.0 · D-06
G-07	The amount-correction process — what NCTracks corrects, and how, beyond name/TIN/address mechanics — is not published as a process.	WBS 5.0 · SOP-08
G-08	No DHHS-published procedure for its own 1099 production, on either line, was located. This kit's Part G is the scaffolding for that procedure.	Part G
G-09	North Carolina's furnishing and e-delivery rules for recipient statements, beyond the federal floor, are not established.	WBS 4.0 · D-07
G-10	The form types covered by OSC's final central FIRE file (TY2025) are not enumerated in the sources reached — a baseline question the buyer's records can answer in one pass.	WBS 7.0
G-11	Whether NCTracks' per-TIN production covers payers beyond DHB and DPH (other DHHS divisions) is not established.	WBS 6.0 · Map 1

Part A — Project Charter

SAMPLE — PART A · A FINISHED CHARTER; THE BUYER SIGNS THIS PAGE FIRST

Project	North Carolina 1099 Operationalization — TY2026 Season Stand-Up
Sponsor	[BUYER: name and title of the accountable executive — the seat G-01 leaves open]
Project lead	[BUYER: name] · Accountable owner of the season, once seated under decision D-01
Purpose — the why	Tax year 2026 retires the FIRE transmission route and moves every filer to IRIS under its own transmitter control code. The vendor line's crossing is documented by the State Controller. The provider line's crossing is not documented anywhere in the public record: no named owner, no route, no form and box, no TIN-matching owner, and no rule for managed-care payments. This project stands up the provider-line operation — and hardens the vendor-line interface — before the season's fixed dates arrive, so the state files completely, correctly, and on time.
Objectives	1. A named accountable owner for provider 1099 production is seated and published internally (closes G-01). 2. The transmission route is ruled, the TCC position verified, and a test submission accepted in IRIS (closes G-03). 3. The form-and-box determination and the threshold re-basing to \$2,000 are issued in writing before production opens (closes G-06, D-08). 4. The managed-care allocation is ruled — who issues for plan-paid providers — and communicated to every plan before December 31, 2026 (closes G-05). 5. The season files on the fixed dates: furnishing and NC-3 by February 1, 2027; 1099-MISC e-file by March 31, 2027; the corrections cycle is worked to closure with an evidence pack retained.
In scope	Provider line end to end (intake, production, transmission, corrections, close) · the NCTracks-NCFS de-duplication interface · the state filing layer (NC-3 / eNC3) · training and communications for every role the season touches.
Out of scope	Vendor-line production itself (the State Controller's documented process stands) · any change to NCTracks claims processing · tax policy determinations beyond the filing operation (those route to the sponsor).
Fixed constraints	FIRE stops accepting returns November 19, 2026 · furnishing, 1099-NEC, and NC-3 due February 1, 2027 (January 31 is a Sunday) · 1099-MISC e-file closes March 31, 2027 . Federal dates do not move for this project; the schedule is built backwards from them.
Success measures	Every objective above evidenced in the evidence register (Part N) · zero returns filed on an unrulred route or an unrulred form · the dashboard (Part O) reads the season closed with every gap either closed by instrument or carried, named, into the next season's plan.
Sign-off	

	Sponsor _____	Date _____	· Project lead
	_____	Date _____	· Fiscal agent operations lead
	_____	Date _____	

Part B — Work Breakdown Structure

SAMPLE — PART B · SEVEN CLUSTERS, TWENTY-ONE WORK PACKAGES, ONE DONE-WHEN EACH

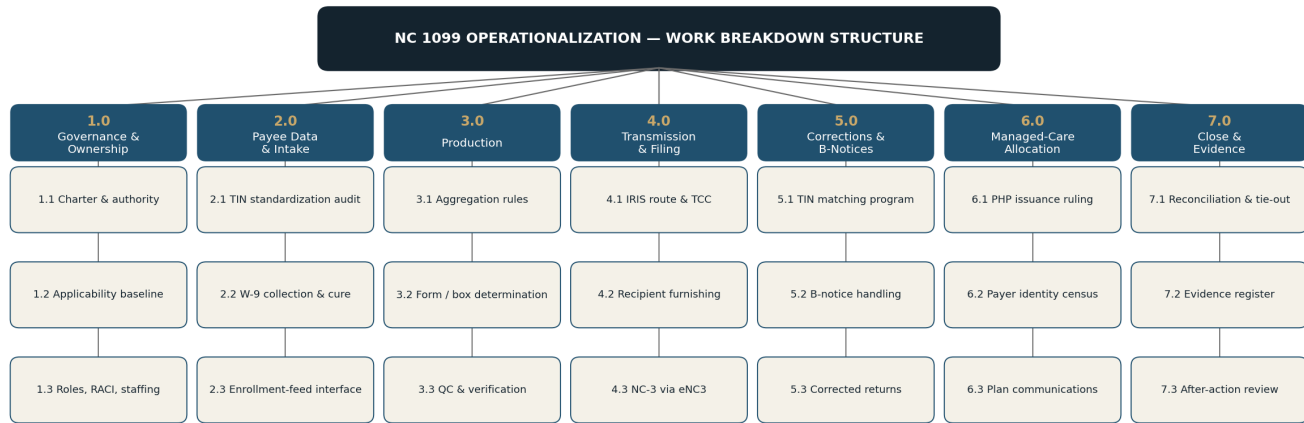


Figure B-1 — The work, decomposed. Every package below carries a deliverable and a done-when; a package is done when its done-when is evidenced, not when its meetings end.

WBS	Work package	Deliverable	Done when
1.1	Charter & authority	This charter, signed	Signatures seated; sponsor named (G-01 sponsor half)
1.2	Applicability baseline	Section 1.2 determinations, adopted as the project's baseline	Baseline adopted by the project lead; changes only by decision-log entry
1.3	Roles, RACI, staffing	Part E RACI with named holders	Every RACI row has a name, not a seat (G-01 closed)
2.1	TIN standardization audit	Defect census of the payee master against the TIN-standardized record	Census counted and queued; defect rate printed on the dashboard
2.2	W-9 collection & cure	Solicitation cycle for defective payee records	Every defective record cured or formally excepted by the exception-queue ruling (Map 1)
2.3	Enrollment-feed interface	Standing extract from NCTracks enrollment to the production file	

			Two consecutive clean extracts, reconciled to the payment ledger
3.1	Aggregation rules	Per-TIN, per-payer aggregation specification, threshold re-based to \$2,000	Specification signed; D-08 recorded; test aggregation reproduces hand-checked totals
3.2	Form / box determination	Written determination of form and box for each provider payment class	Determination issued (G-06 closed) and loaded into production rules
3.3	QC & verification	Dry-run production pack with QC sample results	Dry run passed at the sampling rate in SOP-04; sign-off seated (milestone M5)
4.1	IRIS route & TCC	Route ruling (D-02), TCC verification, accepted test submission	Test submission accepted in IRIS under the production TCC (M4)
4.2	Recipient furnishing	Recipient copies furnished, print and any e-delivery per D-07	Furnishing complete by February 1, 2027 (M6)
4.3	NC-3 via eNC3	Form NC-3 and statements filed through eNC3	Filing accepted by February 1, 2027 (M8); penalty exposure zero
5.1	TIN matching program	Standing TIN Matching runs against the payee file	Program chartered by D-03 (G-02 machinery half); first run before production opens
5.2	B-notice handling	CP2100 work queue, B-notice cycle, backup-withholding starts	Every notice in the cycle dispositioned per Map 4 (M9)
5.3	Corrected returns	Correction process per SOP-08, filed corrections	Corrections filed for every confirmed error class (G-07 process closed)
6.1	PHP issuance ruling	Written allocation: who issues 1099s for plan-paid providers	Ruling issued (G-05 closed) before December 31, 2026
6.2	Payer identity census	Census of every payer whose payments NCTracks aggregates	Census complete; DHB/DPH confirmed or extended (G-11 closed)
6.3	Plan communications	Notice pack to every prepaid health plan carrying the ruling	Acknowledgment received from every plan
7.1	Reconciliation & tie-out	1099 totals tied to the payment ledger and to NC-3, per payer	

			Zero unexplained variance; sign-off seated (Map 5)
7.2	Evidence register	Part N register, completed for the season	Every claim the season makes traces to an instrument in the register
7.3	After-action review	Season review: gaps closed, gaps carried, next-season plan	Review held by April 2, 2027 (M10)

Part C — Schedule

SAMPLE — PART C · THE SEASON, BACKWARDS FROM DATES THAT DO NOT MOVE

The schedule is built backwards from the fixed dates. Stand-up opens Monday, October 26, 2026 — the day the Atlas series begins publishing North Carolina — and the season closes Friday, April 2, 2027. Everything between is sequenced so that no production run ever waits on a ruling: ownership first, route second, data third, dry run before the January window, corrections given the full February–March runway the federal cycle allows.

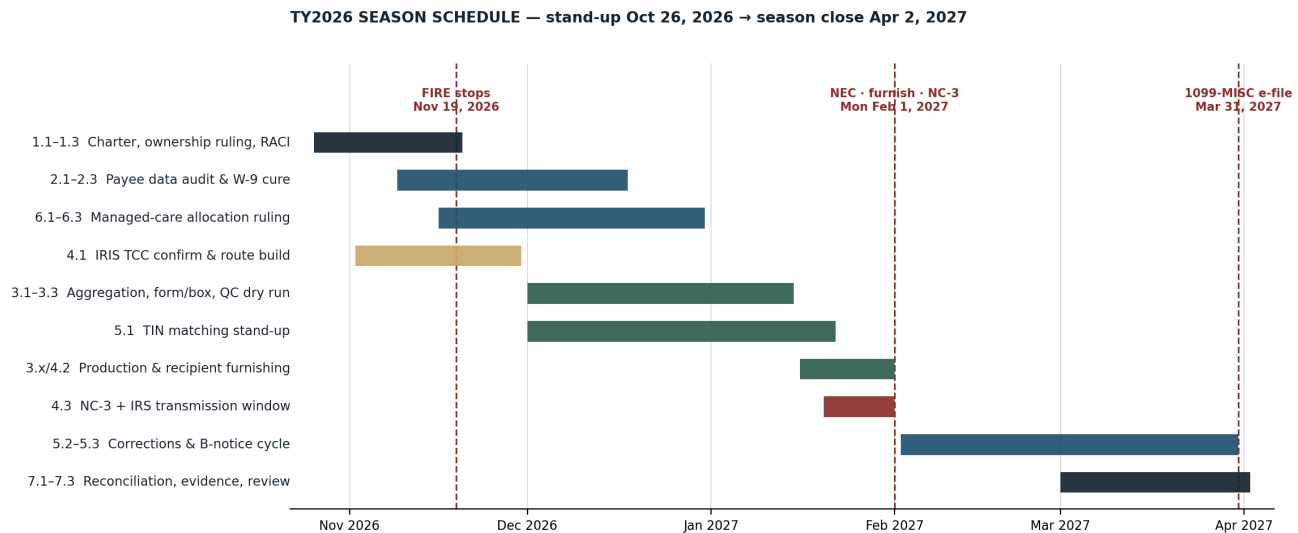


Figure C-1 — Season Gantt. Red dashes are dates fixed outside the project: FIRE's last day, the February 1 operative deadline, and the March 31 e-file close.

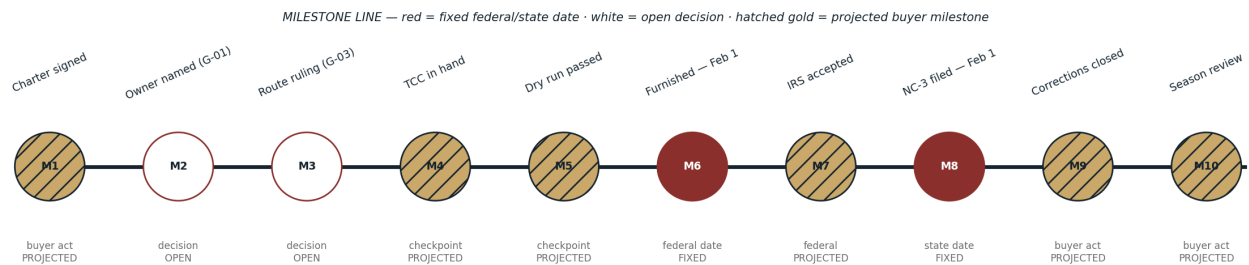


Figure C-2 — The milestone line. Color is always redundant with the printed state: FIXED (a date set by federal or state instrument), OPEN (a decision the record leaves to the buyer), PROJECTED (a buyer milestone, hatched as projected).

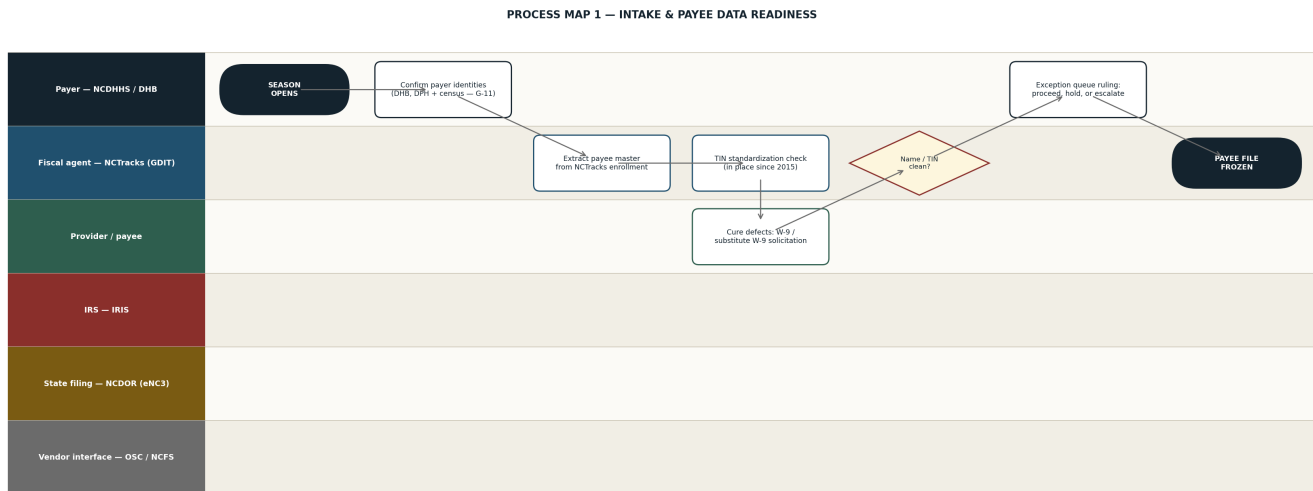
Date	Hard point	Source
Sep 30, 2026	TCC applications due for TY2026 IRIS filing — the kit treats this as a verification checkpoint: confirm the TCC position in week one, because a missed application is the season's single most expensive surprise	OSC TCC steps memo

Nov 19, 2026	FIRE stops accepting returns. Any route ruling that still says "FIRE, as before" dies on this date	IRS IR-2026-99
Dec 31, 2026	Payment year closes. The managed-care allocation ruling (D-05) must already be in plans' hands — a ruling issued after the payments are made allocates a year nobody can redo	Project sequencing rule, Part K
Feb 1, 2027	Recipient furnishing, Form 1099-NEC to the IRS, and Form NC-3 with statements via eNC3 (January 31 is a Sunday)	Federal floor; NCDOR
Mar 31, 2027	Form 1099-MISC e-file close; the corrections runway ends	Federal floor

Part D — Swim-Lane Process Maps

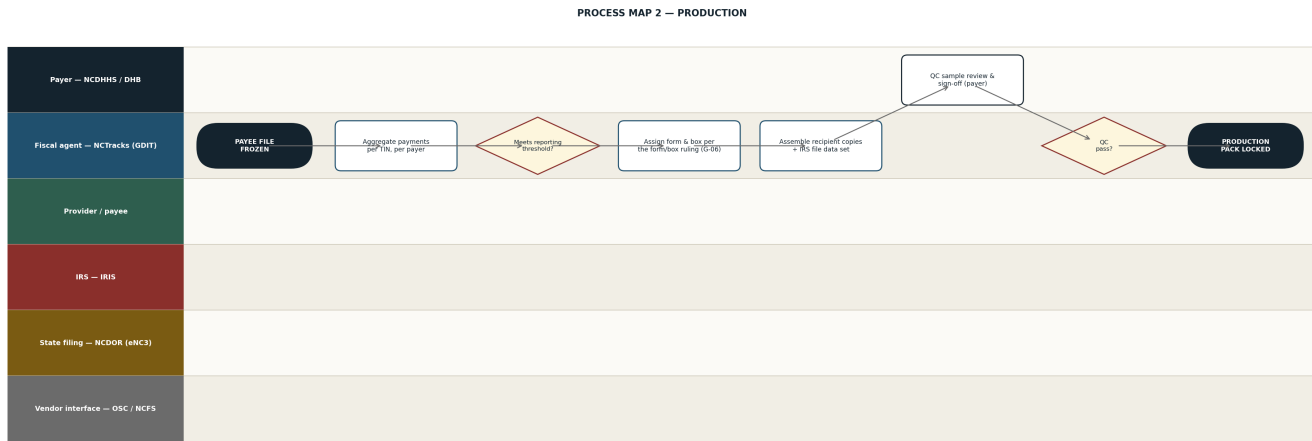
SAMPLE — PART D · FIVE MAPS, SIX LANES, EVERY HANDOFF A RECORD

The lanes are the functions North Carolina's own structure carries: the payer (NCDHHS / Division of Health Benefits), the fiscal agent (NCTracks, operated by GDIT), the provider/payee, the IRS through IRIS, the state filing layer (NCDOR through eNC3), and the vendor-line interface (the State Controller and NCFS) where the two systems touch. A step belongs to the lane that performs it; an arrow that crosses a lane boundary produces a record, and the record is named in the step table under each map.



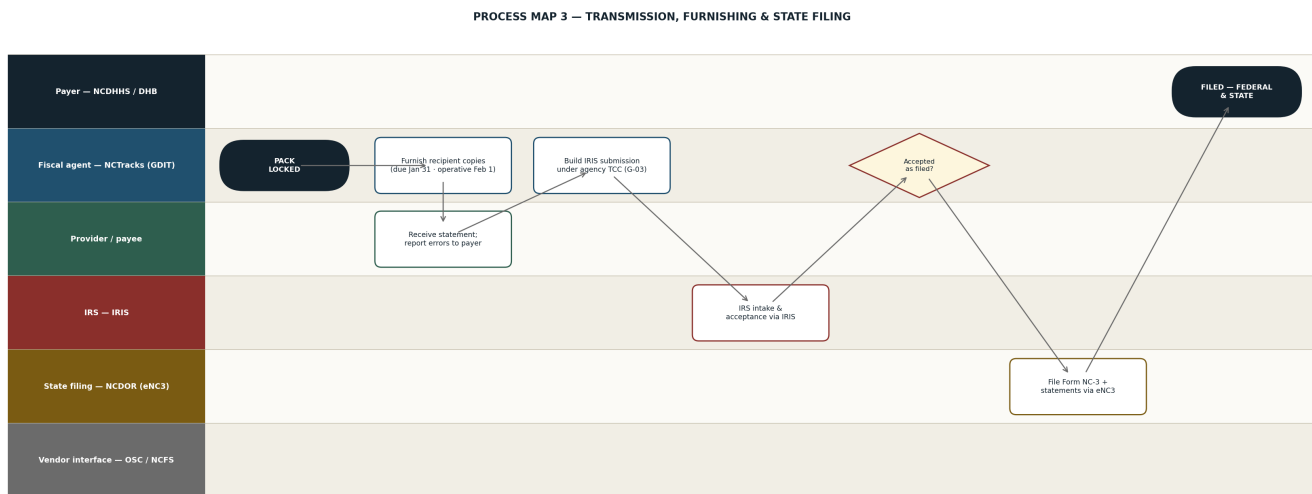
Map 1 — Intake & payee data readiness. Records: payer census (step 2) · defect census (step 4) · exception-queue ruling (step 7).

#	Lane	Step	Record produced
1	Payer	Season opens on the charter's authority	Signed charter (Part A)
2	Payer	Confirm payer identities — DHB and DPH as published, plus the payer census that settles G-11	Payer census (WBS 6.2)
3	Fiscal agent	Extract the payee master from NCTracks enrollment	Payee file, version 1
4	Fiscal agent	Run the TIN standardization check (in place since 2015) and count defects	Defect census (WBS 2.1)
5	Provider / payee	Cure defects: W-9 / substitute W-9 solicitation to defective records	Cure responses, logged per payee
6	Fiscal agent	Decision: is the name/TIN record clean?	Exception list for the residue
7	Payer	Exception-queue ruling: proceed, hold payment reporting, or escalate — per payee, in writing	Exception-queue ruling



Map 2 — Production. Records: aggregation run log · form/box determination as applied · QC sample sheet and sign-off.

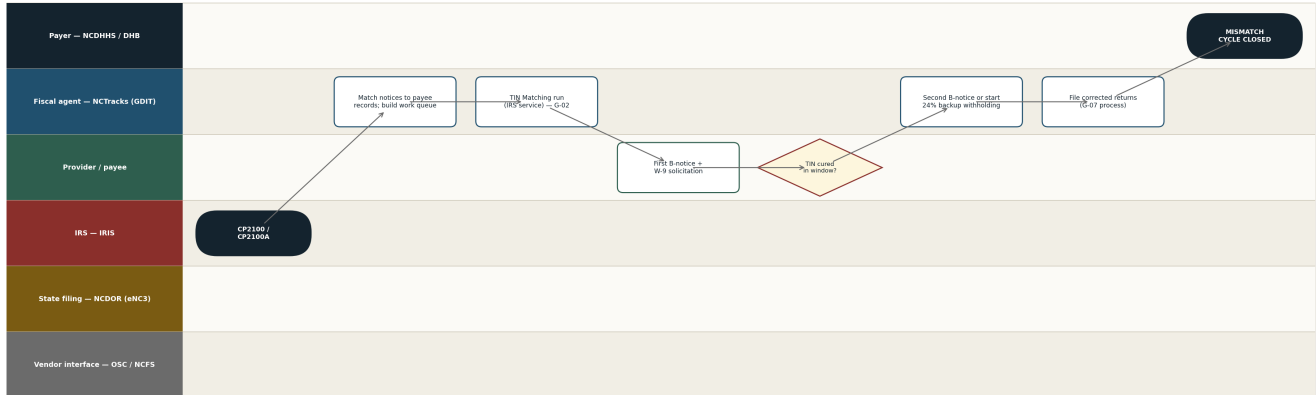
Production aggregates payments per Tax ID per payer (the published NCTracks rule), applies the threshold as re-based (D-08) and the form/box determination (D-06), and assembles the recipient and IRS data sets as one pack — a pack is never split, because a correction later must be able to find both halves. QC samples the pack at the rate SOP-04 sets; a failed sample returns the whole pack, not the sampled page.



Map 3 — Transmission, furnishing & state filing. Records: furnishing log · IRIS acceptance · eNC3 confirmation.

Furnishing and filing are separate duties with separate clocks and this map keeps them separate: recipients hold their copies by February 1 whether or not the IRS transmission has cleared, and the state layer (NC-3 via eNC3) runs on its own confirmation. A rejected transmission is an issue-log entry the day it happens (Part L), never a surprise at reconciliation.

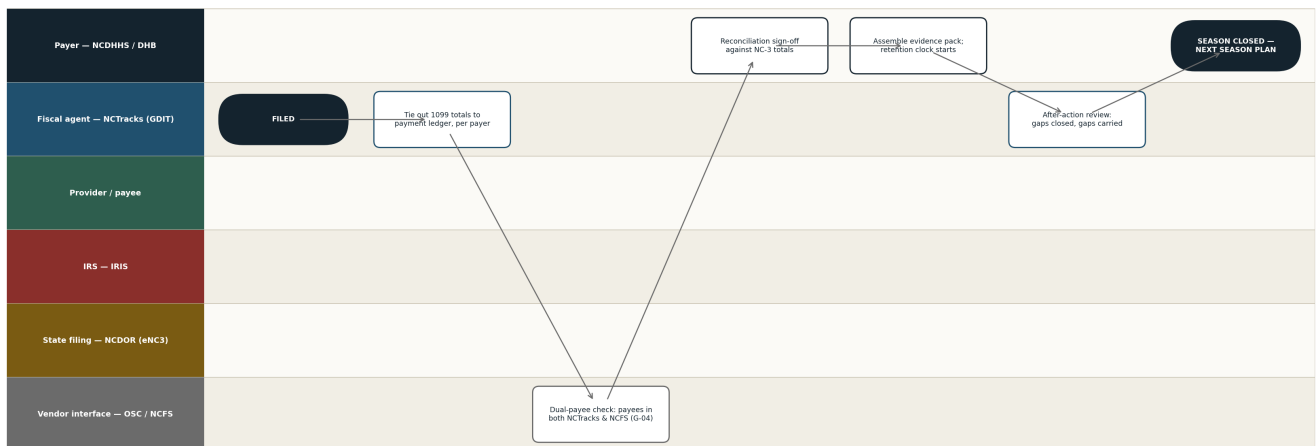
PROCESS MAP 4 — CORRECTIONS & B-NOTICES



Map 4 — Corrections & B-notice. Records: CP2100 work queue · TIN Matching results · B-notice mail log · withholding starts · corrected-return filings.

The mismatch cycle is where G-02 lives: on the vendor line, Policy 1200.02 names the machinery and its operator; on the provider line this map is the machinery until the buyer seats it by decision D-03. The two-notice sequence and the 24% backup-withholding start follow the federal floor; the kit's discipline is that every notice is dispositioned — cured, withheld, or escalated — and no notice ages in a drawer.

PROCESS MAP 5 — CLOSE, RECONCILIATION & SEASON REVIEW



Map 5 — Close, reconciliation & season review. Records: tie-out statement · dual-payee check · evidence pack · after-action review.

Close is a proof, not a ceremony: 1099 totals tie to the payment ledger per payer, the dual-payee check (G-04) runs across both systems while both are still open, and the evidence pack assembles while the season's records are warm. The after-action review carries every unclosed gap onto the next season's plan by name — a gap carried openly is a plan; a gap dropped silently is next year's finding.

Part E — RACI

SAMPLE — PART E · RESPONSIBLE, ACCOUNTABLE, CONSULTED, INFORMED — ONE A PER ROW

Activity	Accountable owner	DHB Finance	DHB Provider Ops	NCTracks / GDIT	OCPI	OSC liaison
Season ownership & rulings (D-01... D-08)	A	C	C	C	I	C
Payee data & W-9 cure	A	I	C	R	—	I
Aggregation & production	A	C	I	R	—	—
Form / box determination	A	R	C	C	C	—
IRIS transmission & TCC	A	I	—	R	—	C
Recipient furnishing	A	I	C	R	—	—
NC-3 / eNC3 filing	A	R	—	C	—	I
TIN matching & B-notices	A	C	I	R	C	C
Managed-care allocation	A	C	R	C	I	—
Reconciliation & evidence	A	R	I	R	C	C

The Accountable Owner column is a seat until decision D-01 names its holder; that single fact is G-01, and this table is where its closure shows. PHP plans are Consulted on the allocation row and Informed on furnishing; NCDOR is Informed on transmission and Accountable for nothing inside the project — the state layer receives a filing, it does not co-own the season.

Part F — Companion Guides

SAMPLE — PART F · ONE PLAIN-SPEAK GUIDE PER PROCESS; BREADCRUMBS ON EVERY PAGE

Guide 1 — Intake: getting the payee file clean

You are here: Season → Intake → this guide. You hold: the payee extract. Done looks like: a frozen payee file with every defect cured or ruled on.

In plain speak: before anything is printed or filed, the list of people and organizations the state paid has to be right — right name, right tax ID, right address. This guide walks the extract out of NCTracks, runs the standardization check that has been in place since 2015, and works the defect list down to zero or to a written ruling. Breadcrumb back: if a payee's record cannot be cured, do not improvise — it goes to the exception queue (Map 1, step 7) and the payer rules on it. Next: Guide 2.

Guide 2 — Production: turning payments into forms

You are here: Season → Production → this guide. You hold: the frozen payee file and the payment ledger. Done looks like: a locked production pack that passed QC.

Production adds up what each payee was paid, per tax ID and per payer — that is the published NCTracks rule, and this guide applies it exactly. Two written determinations ride on top: which form and box each payment class lands on (D-06), and the \$2,000 threshold for 2026 payments (D-08). If either determination is missing when you reach this guide, stop: production on an unrulled form is how a state files ten thousand wrong forms very efficiently. Next: Guide 3.

Guide 3 — Filing: three doors, three clocks

You are here: Season → Filing → this guide. You hold: the locked production pack. Done looks like: recipients furnished, IRS accepted, NC-3 confirmed — three separate receipts.

There are three doors and they do not share a key. Recipients get their copies by February 1. The IRS gets the return through IRIS, under the agency's own transmitter control code — the route the State Controller documented for the vendor line, and the route decision D-02 seats for this one. North Carolina gets Form NC-3 and the statements through eNC3; the federal combined filing program does not satisfy this state, so do not let anyone file "federal only" and call the state layer done. Keep the three receipts separate in the evidence pack. Next: Guide 4, when the notices come.

Guide 4 — Corrections: when the IRS writes back

You are here: Season → Corrections → this guide. You hold: a CP2100 notice or a payee's "that's wrong" call. Done looks like: every notice dispositioned — cured, withheld, or escalated.

A mismatch notice is not an accusation; it is a work queue. Match it to the payee record, run TIN Matching, send the first B-notice with a W-9 request, and work the window. If the record cures, file the correction. If it does not, the second notice goes out and backup withholding at 24% begins on the federal schedule — not as a punishment, as the machinery working as designed. On the vendor line the State Controller's Policy 1200.02 runs this; on the provider line, this guide and decision D-03 are the machinery until the buyer seats a permanent owner. Next: Guide 5.

Guide 5 — Close: proving the season

You are here: Season → Close → this guide. You hold: three filing receipts and the payment ledger. Done looks like: totals tied, evidence packed, gaps carried by name.

Close proves the season instead of merely ending it. The totals on the forms tie to the totals in the ledger, per payer, with zero unexplained variance. The dual-payee check runs across both systems — a payee paid through NCTracks and through NCFS is one payee, and the state reports like it. Then the evidence pack assembles and the after-action review names whatever did not close. That list is next season's first page. Breadcrumb home: the dashboard (Part O) is where all of it shows.

Part G — Standard Operating Procedures

SAMPLE — PART G · THE PROCEDURE G-08 FINDS UNPUBLISHED; WRITTEN TO BE ADOPTED

SOP-01 — Season opening & payer census

Purpose. Open the season on authority and settle who the payers are. **Owner:** Accountable Owner. **Trigger:** Charter signature. **Steps:** (1) Seat the charter and the decision log. (2) Run the payer census (WBS 6.2) against DHHS divisions. (3) Publish the season calendar internally. **Records:** charter, census, calendar. **Escalation:** an unseated owner seat at day 10 goes to the sponsor — that is G-01 reopening, and it is treated as such.

SOP-02 — Payee file freeze

Purpose. Produce the version of record production runs against. **Owner:** NCTracks operations. **Trigger:** Defect census complete. **Steps:** (1) Work the cure cycle (Map 1). (2) Obtain exception-queue rulings for the residue. (3) Freeze, version, and hash the file. **Records:** frozen file, ruling set. **Escalation:** any post-freeze change reopens the freeze by change entry, never by edit.

SOP-03 — Aggregation run

Purpose. Aggregate payments per TIN per payer under the re-based threshold. **Owner:** NCTracks operations. **Trigger:** Frozen payee file. **Steps:** (1) Load the D-06 form/box rules and the D-08 threshold. (2) Run aggregation. (3) Hand-check a sample against the ledger before the pack assembles. **Records:** run log, sample sheet.

SOP-04 — QC sampling & sign-off

Purpose. Verify the pack before anything leaves. **Owner:** DHB Finance (checker) — never the producer. **Steps:** (1) Sample the pack at 2% or 50 records, whichever is larger. (2) Verify name, TIN, amount, form, and box against source records. (3) Any failure returns the whole pack. **Records:** QC sheet, sign-off. **Escalation:** two failed packs in one season stop production and convene the owner.

SOP-05 — Furnishing

Purpose. Put recipient copies in recipients' hands by February 1. **Owner:** NCTracks operations. **Steps:** (1) Furnish per the D-07 method ruling. (2) Log every furnishing event. (3) Work returned mail as an intake defect, not a mailing problem. **Records:** furnishing log.

SOP-06 — IRIS submission & acceptance

Purpose. Transmit and prove acceptance. **Owner:** NCTracks operations under the D-02 route. **Steps:** (1) Submit under the production TCC. (2) Capture the acceptance record. (3) A rejection

becomes an issue-log entry the same day, with a named fixer. **Records:** acceptance, issue entries.

SOP-07 — B-notice processing

Purpose. Work the CP2100 cycle to disposition. **Owner:** per D-03. **Steps:** (1) Queue and match notices within five business days of receipt. (2) TIN Matching run. (3) First B-notice with W-9 solicitation. (4) Second notice or withholding start on the federal schedule. **Records:** work queue, mail log, withholding starts.

SOP-08 — Corrections & amended filings

Purpose. Correct confirmed errors as a process, closing G-07. **Owner:** Accountable Owner. **Steps:** (1) Classify the error: identity, amount, form, or duplicate. (2) File the correction through the same route as the original. (3) Mirror the correction to the state layer where the original touched it. (4) Log the class in the after-action feed — a repeated class is a production defect, not a clerical one. **Records:** correction filings, class log.

Part H — Training Plan

SAMPLE — PART H · TRAINING BY ROLE, SIZED TO THE SEASON'S REAL FAILURE MODES

Role	Modules	Depth	Complete by	Evidence
Accountable Owner	The TY2026 break (FIRE→IRIS) · the determinations baseline · ruling craft: how a decision gets made, logged, and defended	Working	Nov 20, 2026	Attendance + D-log entries authored
Production operators (NCTracks)	Aggregation rules & threshold re-basing · form/box determination as issued · QC failure handling · IRIS submission mechanics	Practitioner	Dec 18, 2026 (before dry run)	Dry-run performance
QC checkers (DHB Finance)	Sampling method (SOP-04) · source-record verification · pack rejection authority	Practitioner	Dec 18, 2026	QC sheets signed
Corrections desk	CP2100 anatomy · TIN Matching · B-notice sequence · backup withholding starts · correction classes (SOP-08)	Practitioner	Jan 22, 2027	Tabletop exercise on a seeded notice set
Provider-facing staff	What a 1099 is and is not · reading the form the provider received · routing a "that's wrong" call in one pass	Working	Jan 29, 2027	Call-guide quiz
Plan (PHP) contacts	The allocation ruling and what it asks of plans · acknowledgment process	Awareness	Dec 31, 2026	Acknowledgments on file (WBS 6.3)

Why this shape: the season's catastrophic failures are rulings made late (owner, route, allocation) and forms produced on an unruléd basis — so decision-makers train first, producers train against the dry run, and the corrections desk trains before the notices exist, not after.

Part I — Communications Plan

SAMPLE — PART I · WHO HEARS WHAT, WHEN, FROM WHOM

Audience	Message	When	Channel	Owner
Agency leadership	Season stood up: owner named, route ruled, dates fixed; dashboard cadence begins	At M2/M3	Briefing note	Accountable Owner
Prepaid health plans	The allocation ruling (D-05): who issues for plan-paid providers, what plans must do, acknowledgment requested	On ruling; by Dec 31, 2026	Formal notice pack	DHB Provider Ops
Providers	What to expect: which form, from whom, when; how to report an error in one step	Jan 2027, with furnishing	Statement insert + provider portal note	NCTracks ops
State Controller (OSC)	Interface notice: dual-payee de-duplication check scheduled at close; TY2025 central-file form enumeration requested (G-10)	Nov 2026; Mar 2027	Liaison letter	Accountable Owner
NCDOR	Filing intent: NC-3 and statements via eNC3 on the February 1 operative date	Jan 2027	Liaison note	DHB Finance
All project roles	Weekly dashboard (Part O) — one page, same day each week, no surprises in meetings that are not first in the dashboard	Weekly, Oct-Apr	Dashboard distribution	Project lead

Part J — Risk Register

SAMPLE — PART J · LIKELIHOOD AND IMPACT ARE THE KIT'S ASSESSMENT, PRINTED AS SUCH

ID	Risk	Likelihood	Impact	Trigger / mitigation	Owner seat
R-1	Route unrulred when the dry run opens — production built on an assumed transmission route	Medium	Severe	Trigger: D-02 open at Dec 1. Mitigation: route ruling is WBS 4.1's first act, sequenced in November, a full month before the dry run	Accountable Owner
R-2	TCC not in hand (applications were due Sep 30, 2026)	Low-Med	Severe	Week-one verification checkpoint (Part C); if absent, escalation to sponsor immediately — no other work compensates	Project lead
R-3	Threshold re-basing missed — production applies \$600 to 2026 payments and over-reports	Medium	High	D-08 is a production gate in SOP-03; the QC sample checks threshold application explicitly	DHB Finance
R-4	Managed-care double-issuance or no-issuance — plans and NCTracks each assume the other issues	High	High	D-05 ruling before Dec 31 with written plan acknowledgments (WBS 6.3); the gap survived the state's strongest contract source, so silence is the default failure	Accountable Owner
R-5	Dual-payee double-report across NCTracks and NCFS	Medium	Medium	Dedup check designed into close (Map 5) while both systems are open; rule seated by D-04	DHB Finance
R-6	B-notice volume spike overwhelms an unstaffed corrections desk (G-02's owner is unseated)	Medium	High	D-03 seats the owner before filing; training tabletop sizes the queue before it exists	Corrections desk
R-7	NC-3 penalty exposure (\$50/day to \$1,000, plus \$200 format) from a state-layer afterthought	Low	Medium	Guide 3's three-doors discipline; eNC3 format per the Sep 30, 2026 specifications, tested in the dry run	DHB Finance
R-8	The owner seat stays empty and the season runs on momentum (G-01 persists)	Medium	Severe	SOP-01's day-10 escalation; the dashboard prints the seat's state in red until it is filled	Sponsor

Part K — Decision Log

SAMPLE — PART K · PRE-LOADED WITH THE DECISIONS THE RECORD ACTUALLY FORCES

ID	Decision	Options the record supports	Closes	Needed by	Status
D-01	Name the accountable owner of provider 1099 production	A DHB office named as owner · a named individual under the Deputy Secretary for NC Medicaid · the fiscal-agent contract amended to carry accountability (production already sits with GDIT; accountability is the missing half)	G-01	Nov 20, 2026	OPEN — [BUYER decides]
D-02	Rule the provider-line transmission route	IRIS under the agency's own TCC (the vendor line's documented path) · fiscal-agent transmission under a state TCC · paper (foreclosed at volume by the 10-return e-file mandate)	G-03	Nov 30, 2026	OPEN
D-03	Seat TIN matching and B-notice ownership for the provider line	Extend Policy 1200.02's machinery by DHHS adoption · build a provider-line program under the D-01 owner · contract the function to the fiscal agent with state oversight	G-02	Dec 18, 2026	OPEN
D-04	Adopt the dual-payee de-duplication rule	Single-issuer rule by payment source with a close-time cross-check (kit's Map 5 form) · a standing NCTracks-NCFS data exchange	G-04	Jan 15, 2027	OPEN
D-05	Allocate 1099 issuance for managed-care payments	Plans issue for providers they pay · NCTracks issues across both payment streams · split by payment type — any of the three works if it is written, communicated, and acknowledged; the record currently supports none because none is published	G-05	Dec 31, 2026	OPEN
D-06	Determine the form and box for provider payments	Determination from the payment classes themselves (services, medical payments) under the federal floor — issued in writing, loaded into production rules	G-06	Dec 18, 2026	OPEN
D-07	Rule the furnishing method	Paper furnishing · electronic delivery where the federal consent rules are met · hybrid by payee election	G-09	Dec 31, 2026	OPEN
D-08	Re-base the reporting	Apply \$2,000 to 2026 payments per P.L. 119-21 §70433 with its printed carve-	\$1.2		OPEN

threshold for
TY2026

outs (attorney proceeds \$600; medical
payments reportable regardless of
corporate status) — the kit knows no
second option; the decision records
adoption

Dec 1,
2026

Part L — Issue Log & Corrective Action Scaffolding

SAMPLE — PART L · ISSUES AS THEY ARISE; ONE CAP, FULLY WORKED

ID	Issue (worked examples)	Raised	Disposition
I-01	IRIS test submission rejected on TCC mismatch during WBS 4.1	Route build	Fixer named same day per SOP-06; retest before the dry run; the rejection record itself files in the evidence register
I-02	A prepaid health plan reports it has already issued 1099s for plan-paid providers in a prior year, contradicting the working assumption behind D-05	Plan communications	Escalates to the Accountable Owner: the allocation ruling now decides with a fact in hand, and the prior-year position becomes a corrections question under SOP-08

Corrective Action Plan — CAP-2026-01 (worked example, against G-03)

Finding	The provider line has no published IRS transmission route in the season the legacy route retires. (Gap G-03, NC 1099 record.)
Root cause	Production grew inside the fiscal agent's operations without a state-published filing procedure (G-08); the route was never the subject of a state instrument, so nothing announced its absence until the federal route itself changed.
Corrective actions	1. Rule the route (D-02) — Accountable Owner — by Nov 30, 2026. 2. Verify the TCC position in writing — Project lead — week one. 3. Pass an accepted IRIS test submission — NCTracks ops — by Dec 18, 2026. 4. Publish the route in the DHHS 1099 procedure adopted from Part G — Accountable Owner — by Jan 15, 2027.
Evidence of closure	

	The ruling in the decision log · the TCC verification · the IRIS acceptance record · the published procedure — all four seated in the evidence register. The CAP closes on evidence, not on the actions being attempted.
Buyer fields	[BUYER: CAP owner name] · [BUYER: review dates] · [BUYER: closure sign-off]

Part M — Checklists

SAMPLE — PART M · THE SEASON ON FOUR PAGES; CHECK IN INK

Checklist 1 — Season opening

- ☐ Charter signed; sponsor and Accountable Owner named (D-01)
- ☐ TCC position verified in writing
- ☐ Applicability baseline (§1.2) adopted
- ☐ Payer census run (G-11)
- ☐ Decision log opened with D-01...D-08
- ☐ Season calendar published internally

Checklist 2 — Production

- ☐ Payee file frozen and versioned (SOP-02)
- ☐ Form/box determination loaded (D-06)
- ☐ Threshold re-based to \$2,000 (D-08)
- ☐ Aggregation hand-check sample passed (SOP-03)
- ☐ QC sample passed and signed by a checker who did not produce the pack (SOP-04)
- ☐ Dry run completed before the January window

Checklist 3 — Filing day

- ☐ Recipient furnishing complete and logged (Feb 1)
- ☐ IRIS submission transmitted under the production TCC
- ☐ IRS acceptance captured to the evidence register
- ☐ NC-3 and statements filed via eNC3; confirmation captured
- ☐ Any rejection entered in the issue log the same day

Checklist 4 — Corrections cycle

- ☐ Every CP2100 notice queued and matched within five business days
- ☐ TIN Matching run completed for the queue
- ☐ First B-notices mailed with W-9 solicitations; mail log current
- ☐ Second notices / withholding starts executed on schedule
- ☐ Corrections filed for every confirmed error class (SOP-08)
- ☐ After-action review scheduled; unclosed gaps carried by name

Part N — Evidence Register

SAMPLE — PART N · EVERY CLAIM IN THIS KIT TRACES TO A ROW HERE

Instrument	What it establishes	Grade
NCTracks provider publications	Provider 1099 production by the fiscal agent; one per Tax ID per payer; DHB and DPH named; \$600 published trigger; TIN standardization since 2015	Established
OSC TY2026 process memo & TCC steps memo	FIRE retired; each agency files its own via IRIS under its own TCC; TCC applications due Sep 30, 2026; NCFS file by form type	Established
OSC Statewide Policy 1200.02	Vendor-line TIN Matching, B-notice handling, backup withholding; OSC as central processor	Established
OSC Substitute W-9	The vendor-line payee data gate	Established
NCDOR eNC3 specifications (Rev. 09-30-2026) & NC-3 instructions	NC-3 via eNC3 due Jan 31; IRIS-format XML accepted; TIN Type required; CF/SF does not satisfy NC; waiver posture; penalty schedule	Established
IRS IR-2026-99	FIRE stops accepting returns Nov 19, 2026; IRIS is the standing route	Established
P.L. 119-21 §70433 (OBBBA)	Threshold \$600 → \$2,000 for 2026 payments; attorney-proceeds carve-out	Established
Standard Plan contract instrument (693 pp)	The contract's only 1099 clause is a governance provision — the negative evidence that hardens G-05	Established (negative)
NC Atlas Part II — Lane B research file	The 1099 deep dive and the G-01...G-11 gap register this kit's scope is built from	Research file of record
Senate Joint Resolution 1089 (Res. 2026-3)	DHB leadership of record for the RACI's consulted seats	Established

Part O — Status Dashboard

SAMPLE — PART O · GAUGES THAT READ THE RECORD, NOT THE MOOD

STATUS DASHBOARD — GAUGES READ PUBLIC-RECORD GROUNDING: THE SHARE OF EACH CLUSTER'S KEY QUESTIONS THE PUBLISHED RECORD ALREADY ANSWERS

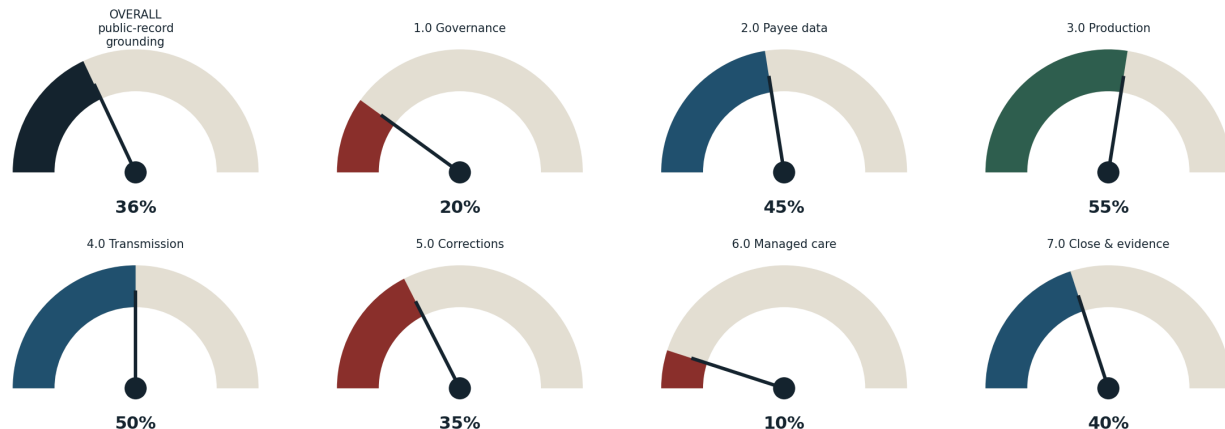


Figure O-1 — The dashboard at kit issue. Gauges read **public-record grounding**: of the key questions each WBS cluster must answer, the share the published record already answers. The rest is the buyer's work — which is the honest way to sell a starter kit, and the honest way to run one.

Cluster	Key questions	Answered by record	What the record answers — and what it leaves
1.0 Governance	5	1 (20%)	Answers: the season's rhythm exists in published operations. Leaves: the owner, the authority, the RACI, the escalation path (G-01)
2.0 Payee data	11	5 (45%)	Answers: TIN standardization, the per-TIN record, the substitute W-9 gate (vendor side). Leaves: provider-side cure ownership, feed discipline
3.0 Production	11	6 (55%)	Answers: the aggregation rule, the payers named, the trigger as published. Leaves: form and box (G-06), threshold re-basing (D-08), dedup (G-04)
4.0 Transmission	10	5 (50%)	Answers: the vendor route whole, the state layer (NC-3/eNC3) whole. Leaves: the provider route entire (G-03), furnishing method (G-09)
5.0 Corrections	20	7 (35%)	Answers: the federal machinery and the vendor line's operator. Leaves: provider-line ownership of every step in Map 4 (G-02), the correction process (G-07)
6.0 Managed care	10	1 (10%)	Answers: how managed-care claims are paid. Leaves: issuance itself (G-05), the full payer census (G-11)
7.0 Close & evidence	10	4 (40%)	

Answers: the reconciliation form (NC-3) and its clock. Leaves:
the TY2025 form enumeration (G-10), the dual-payee rule
(G-04)

Overall 36% is the mean of the seven cluster gauges, printed with its method so any reader can re-perform it. Running the dashboard: the project lead re-scores each cluster weekly against the evidence register — a gauge moves only when an instrument or a logged decision lands, never on progress reported in a meeting. Milestone states ride Figure C-2; a milestone turns from PROJECTED to MET only on its evidence, and the line is re-drawn, not edited in place.

Annex — Buyer Placeholder Index

SAMPLE — ANNEX · EVERY DROP-IN POINT, IN ONE LIST

Placeholder	Appears in	Who fills it
Sponsor name & title	Part A charter	The buyer's executive leadership — the act that seats G-01's sponsor half
Accountable Owner name	Parts A, E, J, K	Decision D-01
Project lead name	Parts A, I	The sponsor, at charter
CAP owner, review dates, closure sign-off	Part L (CAP-2026-01)	The Accountable Owner, when the CAP is adopted as a live instrument
Internal distribution lists	Part I	The project lead, at season opening
Volume figures (payee counts, return counts)	Parts B, H, O when re-scored	The buyer's production records — the kit deliberately carries no invented volumes

End of the Starter Kit (SAMPLE). The companion volume — the Artifact Catalog — presents every artifact type in this kit as a standalone sample with its own teaching note.